

**BEFORE THE TENNESSEE REGULATORY AUTHORITY AT
NASHVILLE, TENNESSEE**

JUNE 29, 2000

IN RE:)	
)	
NOTIFICATION BY WORLD ACCESS, INC.)	DOCKET NO. 00-00250
AND COMMUNICATIONS TELESYSTEMS)	
INTERNATIONAL D/B/A WORLDXCHANGE)	
OF AGREEMENT AND PLAN OF MERGER)	

ORDER APPROVING TRANSFER OF AUTHORITY

This matter came before the Tennessee Regulatory Authority (the "Authority") on the Notification filed by Communications Telesystems International d/b/a WORLDxCHANGE ("CTI") and World Access, Inc. ("WAXS") of an agreement and plan of merger. CTI and WAXS request approval of a transfer of authority from CTI to WORLDxCHANGE Communications, Inc. pursuant to the provisions of Tenn. Code Ann. § 65-4-113. The Directors of the Authority considered this matter at a regularly scheduled Authority Conference held on April 11, 2000.

From the application and the record existing in this matter, it appears that:

1. WAXS is a Delaware corporation with principal offices located at 945 E. Paces Ferry Road, Suite 2200, Atlanta, Georgia 30326. WAXS is the corporate parent of CTI, a certificated entity that provides resold intrastate, interexchange telecommunications services.
2. CTI is a privately held corporation with principal offices located at 9999 Willow Creek Road, San Diego, California 92131. CTI provides a range of communications services including switch-based and resold domestic and international long distance as well as alternative

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operator services. CTI is authorized by the Federal Communications Commission to provide international services as a non-dominant carrier and intrastate service in forty (40) states, one of which is Tennessee.

3. WAXS and CTI propose to enter into an Agreement and Plan of Merger under which CTI will merge into WORLDxCHANGE Communications, Inc. and become a wholly-owned subsidiary of WAXS. The Notification states that although CTI will merge into and with WORLDxCHANGE Communications, Inc., the resulting transfer of authority to provide telecommunications service in Tennessee will have no adverse affects on CTI's present customers.

4. The Notification states that both WAXS and CTI will benefit from this transfer of authority for several reasons. First, it will ensure the continued provision of quality telecommunications services to existing customers absent a rate increase due to higher buying power and lower transport costs. Second, the transfer will also enhance the operating efficiency of the combined companies. Third, the transfer will also provide enhanced overall financial strength due to the combination of the companies.

5. The Notification further states that consumers should benefit by increased competition in all phases and among all providers of telecommunications services, particularly among providers of local exchange and intrastate, inter-exchange telecommunications services. Thus, according to the Applicants, the approval of the transfer of authority will serve the public interest.

Requirement of and Standards for Authority Approval

Tenn. Code Ann. § 65-4-113 requires a public utility to obtain Authority approval to transfer its authority to provide utility services. Tenn. Code Ann. § 65-4-113 provides as follows:

(a) No public utility, as defined in § 65-4-101, shall transfer all or any part of its authority to provide utility services, derived from its certificate of public convenience and necessity issued by the authority, to any individual, partnership, corporation or other entity without first obtaining the approval of the authority.

Tenn. Code Ann. § 65-4-113 also provides the standards by which the Authority shall consider an application for transfer of authority, as follows:

(b) Upon petition for approval of the transfer of authority to provide utility services, the authority shall take into consideration all relevant factors, including, but not limited to, the suitability, the financial responsibility, and capability of the proposed transferee to perform efficiently the utility services to be transferred and the benefit to the consuming public to be gained from the transfer. . . .

Findings

The Directors considered this matter at a regularly scheduled Authority Conference held on April 11, 2000. Based upon careful consideration of the Application and the Exhibits thereto, and of the entire record of this matter, the Authority unanimously finds and concludes as follows:

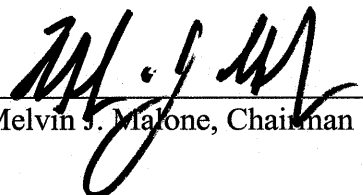
1. That the Authority has jurisdiction over the subject matter of applications for transfers of authority pursuant to Tenn. Code Ann. § 65-4-113;
2. That pursuant to a proposed agreement and plan of merger, CTI would merge into WORLDxCHANGE Communications, Inc. and become a wholly-owned subsidiary of WAXS;
3. That CTI has been granted authority to provide telecommunications service in Tennessee;
4. That as a result of the proposed merger, the authority granted CTI will be transferred to WORLDxCHANGE Communications, Inc.;
5. That WORLDxCHANGE Communications, Inc. has the suitability, financial responsibility, and capability to perform efficiently the utility service to be transferred to it; and

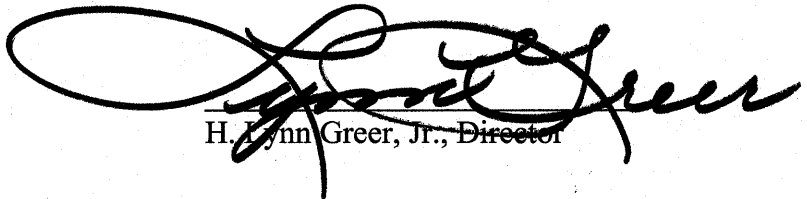
6. That based upon the foregoing, the transfer of authority is compatible with the public interest.

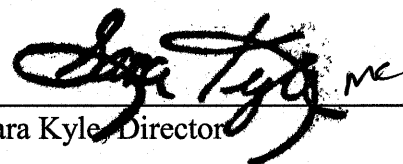
IT IS THEREFORE ORDERED THAT:

1. The Application of World Access, Inc. and Communications Telesystems International d/b/a WORLDxCHANGE for approval of the transfer of authority described herein is granted; and


2. Any party aggrieved by the Authority's decision in this matter may file a Petition for Reconsideration with the Authority within fifteen (15) days from and after the date of this Order.


Melvin J. Malone, Chairman


H. Lynn Greer, Jr., Director


Sara Kyle, Director

ATTEST:


K. David Waddell, Executive Secretary